

Goliad County Groundwater Conservation District

P. O. Box 562, 118. S. Market St. Goliad, TX 77963-0562 361-645-1716 – Telephone 361-645-1772 - Fax

January 23, 2012

Mr. Ray Leissner 6WQ-SG
U. S. Environmental Protection Agency
Region 6
Groundwater/UIC Section
1445 Ross Avenue
Suite 1200
Dallas, TX 78202

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PROTECTION BRANCH
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6WQ-S

Dear Mr. Leissner,

In response to our telephone conversation of January 9, 2012, the Goliad County Groundwater Conservation District (GCGCD) has compiled the following data:

- Landowner Names and GPS locations of wells within or immediately outside the 1 kilometer around the proposed aquifer exemption for UEC Permit Application #UR03075.

- Well logs for these wells if available

- Well Depths

- Casing information

- Year Drilled

- Baseline water quality testing information on wells that GCGCD has tested since 2006 that were tested to establish baseline and monitor change in water quality

- Information about potentially high volume wells in the area of interest

This information has been compiled from GCGCD files, landowner contacts, and the following websites:

<http://texaswellreports.twdb.state.tx.us/>

<http://gis3.tceq.state.tx.us/waterwellpublic/index.jsp>

The Interim Order issued March 3, 2009 by TCEQ to SOAH included issue A as follow; "Whether the use and installation of the injection wells are in the public interest under Texas Water Code #27.051(a). Public interest in regard to this issue includes whether UCE's mining operation or restoration will adversely impact the public interest by unreasonably reducing the amount of groundwater available for permitting by the Goliad County Groundwater Conservation District".

During the contested case hearing Issue A was deliberated at length. GCGCD provided expert testimony that an irrigation well drilled in a down-dip location could impact the ability to control the production of a lixiviant in the mining area. The modeler for UEC commented that drilling this irrigation well during production would not be a good idea.

*- irrigation well
may have no
impact on
production*

In the event that a flow model is developed as part of the aquifer exemption request evaluation, the scenario described above could again impact the conclusions. In the event that modeling is done, GCGCD would be very interested in having an evaluation of how future permitting by GCGCD could

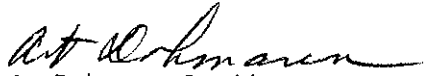
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effect migration rates in determining the question of whether the aquifer exemption area serves as a source of drinking water.

If you need any further information, please feel free to contact us.

Sincerely,

A handwritten signature in cursive script, appearing to read "Art Dohmann".

Art Dohmann, President

Goliad County Groundwater Conservation District